GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2655
ANSWERED ON:19.12.2003
SPECIAL INDUSTRIAL POLICY FOR NORTH EASTERN REGION
PATY RIPPLE KYNDIAH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether North Eastern Region and Sikkim has been put at a disadvantage by extension of special industrial package by the Government in some other States in Northern India that will seriously jeopardize and Special Industry Policy for the North Eastern Region; and

(b) if so, the steps the Government is taking to lure in to the North Eastern Region for industrial and economic development of North Eastern States and Sikkim ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) The incentive Packages notified for the North-Eastern States, Sikkim and Jammu & Kashmir include exemption from the income tax, excise duty and provide capital investment subsidy, interest subsidy and payment of 100% insurance on the capital invested.

However, the concessional package for promotion of industries notified for the States of Himachal Pradesh and Uttaranchal, extend concessions/incentives in terms of exemption from income-tax, outright excise duty exemption and capital investment subsidy only. Therefore, the content of package for the States of Himachal Pradesh and Uttaranchal are substantially lower in scale compared to the concessions extended in the North-Eastern region and State of Jammu & Kashmir.

The Government has commissioned a study to assess the impact of the industrial policy notification in the North-eastern States.

(b) The Government have recently sanctioned the Growth Centre at a cost of Rs.25 crore at Guwahati/Chaygaon-Patgaon with a view to provide requisite infrastructure to support the industries. Similarly, the Government has also sanctioned Growth Centre for the State of Sikkim at an estimated cost of Rs.15 crore to provide infrastructure support. In addition, the funds released during the last 5 years to promote industries in the North-eastern states including transport subsidy are annexed.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO.2655 FOR ANSWER ON 19.12.2003

Funds released during the last 5 years in the North Eastern States (including Sikkim)

(Rs. in crore)

Year	Transport Subsidy Scheme,1971	Central Capital Investment Subsidy,1997	Central Interest Subsidy, 1997	Central Comprehensive Insurance Scheme,1997	Growth Centre Scheme,1988
1998-99	30.03	-	-	-	5.48
1999-2000	35.32	-	-	-	8.00
2000-01	42.52$	2.00$	-	0.10#	9.95
2001-02	66.53	5.10$	1.25$	-	5.25 (65.83 $ + 0.70 @)
2002-03	94.97$	17.20$	2.00$	0.80#	19.00
Total	269.37	24.30	3.25	0.90	47.68

$ Funds released to North Eastern Development Finance Corporation Ltd.(NEDFi.)
@ Funds released to Sikkim.
# Funds released to National Insurance Company.